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October 16, 2012

Faculty Members from Gardner-Webb's Godbold School of Business Shed Light on National Economy

BOILING SPRINGS, N.C.- With just three weeks until Americans cast their ballots for local, state, and federal candidates, many citizens are viewing the national economy as a pivotal issue that could determine the outcome of the presidential election. To help citizens sort through the propaganda, faculty members of the Gardner-Webb University Godbold School of Business recently weighed in on the issues relating to business, job creation, and the overall economic health of the country.

“Without taking a position with a particular party, the culmination of the campaign itself will be a start to ending so much uncertainty,” said GWU Assistant Professor Dr. William Little. While he says there is a massive amount of cash on the sidelines—trillions of dollars, waiting to be invested—investors are still hesitant until the direction of the country is known. “Until we reduce that uncertainty, and know who the commander-in-chief is, and which party controls the House and Senate [post-election], whether it becomes unified or if it’s more polarized – it’s difficult to say whether, and to what extent, that money will be invested.”

In a report released Oct. 15, the National Association for Business Economists predicted tepid growth for the coming year with unemployment above eight percent for the first half of 2013. “I think it’s going to take longer than a year or two,” said Dr. Earl Godfrey, professor of accounting. “Some critics felt like with this recession there would be a steep climb out of it and I don’t think we’re seeing that. It has to do with housing and other sectors. I do think there will be growth but it will be slow to return to the prosperity we enjoyed in the past.” The national unemployment rate fell to 7.8 percent in September, but has hovered around 10 percent in North Carolina and is even slightly higher in Cleveland County.

The experts also discussed the Federal Reserve’s recent “quantitative easing” approach to monetary policy called QE3. This is the printing of money by the Federal Reserve to help stimulate growth. “It’s going to increase the money supply in the U.S. regarding the dollar,” said Little. “It will bring down the value of the dollar and potentially create inflation reducing true buying power for the consumer. However, it may be a short-term solution to an entrenched structural long-term problem.”

Another major issue that ties in with the economy is healthcare. “Currently 17 percent of the gross domestic product is being spent on healthcare,” said healthcare management expert Dr. Denise Smith, assistant professor of Business Administration. “That means 17 cents out of every person's dollar in the U.S. is going towards health care. That's a major issue.” Smith says the impact of healthcare on the economy involves both insurance companies, employers, and healthcare providers. “If we continue to be an unhealthy nation where so much of our health care is spent on disease management, we're going to continue to have high insurance premiums.”

That's why Smith believes employers have reason to provide educational information or perhaps even incentives about better health for their employees. “Research has shown that healthy employees are more productive, cost a company less, they don't miss work as much, and their healthcare costs are less,” she said. “The more we promote healthy lifestyles for employees, the lower our healthcare cost will be as a company and a nation.”

Little, Godfrey, and Smith agreed that the debt and deficit are issues that will affect America until Congress works together in Washington, D.C. Godfrey referenced recent comments by former Secretary of Defense Robert Gates. “Gates said, ‘We need to get our financial house in order.’ The parties working together in a more productive way is critical to both our economy and our military. We might have wonderful ideas but if we can't get those things done, if there is no compromise, then there's no action taken,” said Godfrey.

To view the full-length interview on the state of the economy and how it will play a role in the upcoming election, visit www.youtube.com and search “Gardner-Webb Discussion on Current Economic Concerns.” Gardner-Webb University Political Science Professor Dr. Ben Gaskins will also be sharing his insights on a variety of local, state, and national issues as election day nears.

More information is available about the Godbold School of Business at 704-406-2260.

Located in Boiling Springs, N.C., Gardner-Webb University offers a comprehensive academic experience that introduces students to the diverse world of ideas and to the people who think them, preparing them for career success and for engaged, responsible citizenship in their professional, civic, and spiritual communities.